# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5167
ANSWERED ON:11.05.2007
AMOUNT OF SUBSIDIES
Meinya Dr. Thokchom

**Will the Minister of FINANCE be pleased to state:**

(a) the amount spent on subsidies during 2006-07;

(b) whether India is spending about 14 to 15% of GNP on subsidies;

(c) if so, the details thereof;

(d) the steps taken by the Government to reduce subsidies;

(e) whether there is pressure from international financial institutions and some countries to reduce the quantum of subsidies; and

(f) if so, the reaction of the Union Government thereto?

## Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): The amount of money spent on subsidies during 2006-07 (Revised Estimates) is Rs53,463 crore.

(b)& (c): No, Sir. The subsidy in 2006-07 (Revised Estimates) is about 1.45% of the Gross National Product (GNP) at factor cost at current prices.

(d): Based on the report entitled `Central Government Subsidies in India` prepared by Ministry of Finance with the assistance of National Institute of Public Finance & Policy, Government proposes to evolve a policy for targeting subsidies based on discussions and consultations with various stake holders, after a careful assessment of the likely impact of alternative proposals.

(e): No, Sir.

(f): Does not arise.